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SUBJECT: SPECIAL ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Secretary Rice to Israel, West Bank, March 25-27, 2007

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Key stories in the media:

All media -- lead stories in all media, except Maariv -- reported on
the first day Secretary of State Condoleezza Rice's visit to Israel

and the PA. The media reported that Secretary Rice arrived in Israel on Sunday and met over dinner for three hours with PM Ehud Olmert at his home in Jerusalem. Earlier she visited Ramallah and met with PA Chairman [President] Mahmoud Abbas, whom she will meet again Monday morning in Jordan. The Secretary is scheduled to meet Monday with Jordan's King Abdullah II in Amman this morning and return to Ramallah. Later today, Secretary Rice will meet with Defense Minister Amir Peretz and FM Tzipi Livni.

Ha'aretz reported that Rice told reporters on Sunday that her earlier visit to the region, five weeks ago, and her tripartite meeting with Abbas and Olmert in Jerusalem took place with the Mecca agreement for the establishment of a Palestinian national unity government as the background. Unlike that meeting, which Rice hinted had taken place because it had already been scheduled, this visit aims to jump-start a separate negotiation process. Ha'aretz quoted the Secretary as saying that that she sat for many hours with President Bush in order to formulate a diplomatic strategy, and that she does not exclude the possibility that a special envoy will be appointed for talks with the two sides.

Ha'aretz and Israel Radio reported that the US is planning to hold separate talks with Israel and the PA aimed at achieving an accord that will lead to the establishment of a Palestinian state.

Ha'aretz quoted Rice as saying on Sunday night that the US will hold separate negotiations with the two sides, present questions and request clarifications regarding their positions, in an effort to reach an agreed-upon agenda for the renewal of peace talks.

Ha'aretz wrote that Rice is planning to present the two sides with questions on two main issues: territory and security. Ha'aretz quoted the Secretary as saying that it is possible to learn from the experience that has accumulated since the end of negotiations in 2000, particularly with regard to security arrangements. She pointed to the management of the border crossings at Karni and Rafah in the Gaza Strip as examples that should be studied closely. The Secretary of State was also quoted as saying that she intends to

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request clarifications from Israel as to how it intends to implement the vision of a territorially contiguous Palestinian state in the West Bank.

Ha'aretz reported that on Monday evening she intends to hold a press conference in Jerusalem, which will open with a short statement summarizing her visit. Ha'aretz said that the Israeli political team held talks with Rice's aides Sunday in an effort to soften the statement. Ha'aretz wrote that Israel would like to avoid formulations that will be binding in a final agreement or which deal with issues of serious dispute (most likely, Jerusalem and the refugees). Yediot, which banners "American Pressure to Resume Negotiations," reported that the Secretary will present a series of measures to both sides in order to jump-start the diplomatic process. Yediot wrote that she will demand of the Palestinians that the cease Qassam rocket fire and release abducted IDF Cpl. Gilad Shalit, and that she will require that Israel expand the cease-fire and strengthen Abbas. All media reported that Olmert scolded Abbas for failing to keep his personal promise to him that Shalit would be released before the establishment of a Palestinian national unity government.

The Jerusalem Post quoted senior Israeli officials saying on Sunday that Israel would "not dismiss" an Arab diplomatic initiative that talks about normalization of relations, Palestinian statehood within the pre-1967 lines and the right of refugee return as the opening of a negotiating process and not as a take-it-or-leave-it deal. "We would not reject this out of hand," one official was quoted as saying. "This would challenge Israel and cause a serious discussion here."

Maariv and other media reported that Secretary Rice arrived in Israel with a new plan. Maariv quoted a senior Western diplomat as saying that, based on her talks with UN Secretary-General Ban Ki-moon on Sunday and apparently with Olmert, Rice is interested in Israel not continuing direct talks with the Palestinians and focusing its efforts on the Saudi initiative. On Sunday Maariv reported that Olmert has resolved to accept the Saudi initiative, provided the clause calling for the right of Palestinian refugees to return to lands within the State of Israel is stricken from the

initiative. Maariv quoted a high-ranking political source as saying: "The Prime Minister believes that the initiative contains positive elements alongside of which are issues that Israel perceives as non-starters, such as Resolution 194.

Hatzofe reported that Abbas and Rice agreed that there will be no changes in the Saudi initiative. Hatzofe quoted the Secretary as saying that the initiative is compatible with President Bush's vision.

Yediot reported that Rice refuses to meet with the families of the abducted IDF soldiers.

UN Secretary-General was quoted as saying last night in an interview with Ha'aretz that the international Quartet is planning to invite to its next meeting Israel, the Palestinians and the Arab Quartet, comprising Saudi Arabia, Egypt, Jordan and the UAE. The UN chief was quoted as saying that the issue was discussed in a meeting with Secretary Rice on Sunday, in which they exchanged their impressions

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of meetings held with leaders in the region. Ban was quoted as saying that the meeting with Rice was good and expressed his hope the international community will be able to take full advantage of the diplomatic momentum that is currently being created. Ha'aretz wrote that the UN Secretary-General, who will participate in the Arab League summit in Riyadh during the weekend, expressed his hope the Arab peace initiative will be authorized at the gathering and that the composition of the Palestinian unity government will serve as the basis for the renewal of the diplomatic process in the region. Ban was also quoted as saying that he expects to meet Syrian president Bashar Assad in Riyadh and that the renewal of negotiations between Israel and Syria will be one of the subjects the two will discuss. Over the weekend the media cited Ban's strong criticism of violations of the basic human rights of the Palestinians. He was referring to the separation fence and the road blocks that are disrupting routine life in the territories.

Ha'aretz reported that on Sunday Ban told Abbas that the international community will judge the new PA government on its conduct on the ground. He was quoted as saying that fulfilling the three preconditions of the Quartet -- recognition of Israel, accepting earlier PLO-Israel accords, and relinquishing violence -- are in line with the interest of preserving world peace. However, Ha'aretz said that Ban noted that he intends to emphasize to Olmert the need for Israel to comply with its obligations, including an end to the settlements and a removal of the illegal outposts.

In its lead story on Sunday Yediot told about a new initiative to coordinate a public Israeli-Saudi summit meeting. The initiative, which is described as a joint American-EU initiative and whose existence was confirmed recently by EU foreign policy director Javier Solana, is to arrange for Israeli and Saudi officials to meet publicly for the first time either in late April or early May. According to the report, Solana took it upon himself to persuade the Saudis to hold the meeting, while Condoleezza Rice is supposed to cajole Israel into confirming its attendance. The envisioned Israeli-Saudi summit is also supposed to include representatives from the Quartet, Egypt, Jordan and the PA

Ha'aretz reported that Palestinian Information Minister Mustafa Barghouti told the newspaper: "Whoever boycotts [the new Palestinian government] also boycotts the entire Palestinian people." Hatzofe reported on the birth of a "Palestinian Peace Now" in Ramallah. The new movement -- "Wasatiyah" ("Moderation") -- reportedly rejects the right of return and is opposed terror.

In its lead story, Maariv reported that violent clashes might erupt between security forces and 5,000 right-wing demonstrators, who are expected to march today to the West Bank settlement of Homesh, which was evacuated in the summer of 2005 during the disengagement.

Ha'aretz reported that on Sunday IDF OC Central Command Yair Naveh canceled a ban prohibiting Israelis from taking Palestinian passengers in their vehicles within the West Bank.

The Jerusalem Post quoted Gen. Pietro Pistolese, commander of the

Border Assistance Mission, as saying that if Israel continues to close the Rafah border terminal, the EU will need to reconsider extending its observer team's presence in the Gaza Strip.

Ha'aretz said that the Gaza Strip has become a "Palestinian Somalia."

Leading media reported that over the weekend former PM Ehud Barak hinted that he is more interested in regaining the premiership than in accepting the post of defense minister if he is elected Labor Party chairman. All media quoted Olmert as saying on Sunday that he will fight with all his might to get Vice PM Shimon Peres elected president of Israel. The media reported that Labor Party Knesset Member Ami Ayalon is calling on his party to support Peres, instead of its official candidate Colette Avital. On Sunday Maariv had cited claims by high-ranking Kadima officials that Peres's chances of being elected president are weak in the wake of the report about his testimony before the Winograd Committee, during which he said that he would not have gone to war in Lebanon. They were quoted as saying that Peres's statements greatly annoyed the high-ranking faction members, especially Olmert.

Ha'aretz Washington correspondent Shmuel Rosner reported that the Agahozo Shalom Youth Village in Rwanda will "bring US donors, Ethiopian immigrants, and an operation to rescue Rwandan orphans under the Israel flag." Ha'aretz quoted James Wolfensohn, former World Bank president and previously a US special envoy in Gaza as saying: "The Jewish community cannot ignore what is happening in the rest of the world."

Secretary Rice to Israel, West Bank, March 25-27, 2007:

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Summary:

The conservative, independent Jerusalem Post editorialized: "If the US, Europe, and the UN want the Arab states to more boldly lead the Palestinians toward moderation, they need to undermine radical Arab positions that are obstructing peace by openly rejecting such positions themselves."

Very liberal columnist Gideon Levy wrote in the independent, left-leaning Ha'aretz: "Whom does the boycott -- which is pushing Hamas into the arms of Iran -- serve? Not Israel and not the chances for peace."

Liberal contributor Rami Livni wrote in the popular, pluralist Maariv: "The refugees are the heart of the conflict and the core of the Palestinian national ethos."

Op-Ed Page Editor Ben-Dror Yemini wrote in Maariv: "The Saudi initiative is worthy. But the question of what the Arabs' intention is with respect to the refugees remains unanswered. The only chance for progress along the Saudi track is if the refugee issue is fully and completely neutralized."

Block Quotes:

II. "Reinforce Positive Developments"

The conservative, independent Jerusalem Post editorialized (3/26): "Prime Minister Ehud Olmert's meetings today with UN Secretary-General Ban Ki-moon and with US Secretary of State

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Condoleezza Rice occur against the background of two important developments: a new UN Security Council resolution on Iran and a new US push for constructive action by the Arab states on a Mideast peace process. These two advances are intimately related and should be encouraged.... [A] major positive development is that Rice has added a critical new plank to American diplomacy. In a press roundtable on Friday before leaving for this region, she said: 'It is absolutely the case that I see the Israeli-Palestinian issue as

having to be augmented by... and, in fact, you could even say, it's embedded in a broader Arab-Israeli reconciliation. ...what I believe is very important is that all parties in the international community, and that includes the Arab states, should recognize in order to get to... a Palestinian state and an end to the Israeli-Palestinian conflict, you need the energy and the help of moving forward on the Arab-Israeli side not at the end of the process but earlier in the process.' It is blazingly clear, in a context where Israel has amply demonstrated its desire for a two-state solution and the Palestinians are too weak and radicalized to accept the state they have supposedly been fighting for, that the Arab states need to do their part.... Not surprisingly, the Arab states are resisting such pressure and are so far rejecting the ideas of modifying the 2002 Beirut initiative (the Saudi plan) and of taking steps toward normalizing relations with Israel now. The US, however, should not be dissuaded, because this is the only approach that has a chance of producing real movement toward peace.... If the US, Europe, and the UN want the Arab states to more boldly lead the Palestinians toward moderation, they need to undermine radical Arab positions that are obstructing peace by openly rejecting such positions themselves."

II. "A Dangerous Masked Ball"

Very liberal columnist Gideon Levy wrote in the independent, left-leaning Ha'aretz (3/26): "The rules of decorum are binding: Welcome -- to the US Secretary of State and United Nations Secretary-General, who have come here, and to the German Chancellor,

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who is due next week. But the rules of logic are no less binding, and we must ask: So, why have you come? All three have declared that they are coming here to further a solution. But this whole show, we must tell them, is no more than a ridiculous masked ball: In their pointless and fruitless visits, they only perpetuate and entrench the conflict that most threatens world peace. The fact that all three boycott the elected Palestinian Prime Minister predetermines that there is no chance for progress. This blind trio is looking in the wrong place. If they really wished to contribute, they would have to do two things: meet with Ismail Haniyeh and pressure him to recognize Israel, and meet with Ehud Olmert and pressure him to put an end to the occupation. Without these two elements -- nothing will move forward.... Israel should be the main interested party in ending the boycott. If it truly wished for peace, it should have welcomed the establishment of a unity government, and it should encourage world leaders to meet with its leadership. Whom does the boycott -- which is pushing Hamas into the arms of Iran -- serve? Not Israel and not the chances for peace."

III. "To Understand the Tragedy"

Liberal contributor Rami Livni wrote in the popular, pluralist Maariv (3/25): "Despite what might appear as a changed tone towards the Saudi initiative, Israel is liable once again to miss an opportunity for peace because of an ossified preconception and an historic miscomprehension. The positive statements made by Prime Minister Olmert notwithstanding, Israel has rejected negotiations on the basis of the Saudi initiative as long as it contains any reference to the issue of the refugees. This is the case even though the wording of the initiative stipulates that any solution to the refugee problem will have to be agreed to by Israel and the Palestinians, to wit, it grants Israel veto power over the nature of the arrangement on this issue. Despite Israel's experience in managing the conflict and negotiations, it still suffers from myopia and misunderstands the roots of the Palestinian problem.... The issue of the refugees is not an appendix to the Palestinian problem.... The refugees are the heart of the conflict and the core of the Palestinian national ethos.... Israel, which is strong and confident in its identity, can allow itself to recognize the story of Palestinian refugeeism as part of the story of this land. The Palestinians, for their part, are going to have to accept that the results of the march of history cannot be reversed. It is on the basis of this mutual understanding that a solution is going to have to be found. It is certainly going to be complicated, but there are some people who believe that the fact of recognition will neutralize a significant part of the charge in the question of Palestinian refugees, and might pave the way to creative agreements."

IV. "The Illusion, the Conceit, and the Fraud"

Op-Ed Page Editor Ben-Dror Yemini wrote in Maariv (3/25): "The illusion, the conceit and the fraud are the formative elements of the refugee issue. The illusion that there is a right of return. The conceit that Israel is to blame for the creation of the Arab world's problems in general and the refugees in particular, and the fraud that has turned the Palestinian refugees into the heart of the conflict.... Most of the Israeli Left is proof that the illusion, the conceit and the fraud do not belong solely to the Palestinians. They have infiltrated the world at large.... Yes, Arab aggression created the refugee problem. And similar problems in various focal points of conflict created 38 million people who were forced to undergo the unpleasant experience of population swaps. That happened in recent decades in Cyprus and in the former Yugoslavia. And look, in no case was the 'refugee problem' blow to such monstrous proportions as it was in the Palestinian case. Nearly all of the tens of millions of refugees stopped being refugees long ago.

And only the Palestinians have been left as an open wound, and they provide a livelihood today for dozens of non-profit organizations, journalists and researchers, all of whom inflate the problem.... The Saudi initiative is worthy. But the question of what the Arabs' intention is with respect to the refugees remains unanswered. The only chance for progress along the Saudi track is if the refugee issue is fully and completely neutralized. Because repeating a conceit, even a hundred times, does not make it a fact. There are more than enough people who prefer the illusion, the conceit and the fraud. They only perpetuate the problem. It isn't Israeli blindness. Not at all. It is Palestinian fraud, which has been given too much support in the media and the academic world. But, actually, there is blindness on the Israeli side as well."

JONES